

VZCZCXRO7854  
RR RUEH DU RUEHMR RUEHRN  
DE RUEHTO #0233/01 0781104  
ZNY CCCCC ZZH  
R 181104Z MAR 08  
FM AMEMBASSY MAPUTO  
TO RUEHC/SECSTATE WASHDC 8665  
INFO RUCNSAD/SOUTHERN AFRICAN DEVELOPMENT COMMUNITY  
RUEHLO/AMEMBASSY LONDON 0134

C O N F I D E N T I A L SECTION 01 OF 02 MAPUTO 000233

SIPDIS

SIPDIS

E.O. 12958: DECL: 03/11/2018  
TAGS: [PGOV](#) [PREL](#) [ECON](#) [EAID](#) [MZ](#)  
SUBJECT: DAS THOMPSON SEES MOZAMBIQUE'S CHALLENGES AND USG  
OPPORTUNITY

Classified By: Charge d, Affaires Todd C. Chapman, Reasons 1.4(b) & (d)

11. (C) SUMMARY: In a March 2-3 visit to Maputo, Deputy Assistant Secretary for African Affairs Carol Thompson met with the Prime Minister and Minister of the Presidency to urge the GRM to strengthen the business environment, participate in peacekeeping operations, and recognize Kosovo's independence. She met with Western ambassadors who expressed concern about the future of democracy in Mozambique, journalists who said communication with the government is declining, and with businessmen who claim government corruption is on the rise. She also met with the Mission's senior LE Staff and PEPFAR task force, toured an Embassy-supported orphanage and visited an Islamic learning center that receives USG funding. END SUMMARY

-----  
PRESSING THE PRIME MINISTER ON THE BUSINESS ENVIRONMENT,  
PKOs, KOSOVO  
-----

12. (C) In a courtesy call, DAS Thompson told Mozambican Prime Minister Luisa Diogo that the bilateral relationship was strong and highlighted the country's impressive economic growth. Diogo expressed appreciation for USG support of Mozambique's return to peace after the civil war and the recent USG assistance for flood victims. Diogo added that continued USG assistance programs, highlighting the more recent PEPFAR and Millennium Challenge Corporation programs, was key to the success of the next wave of reforms the GRM was implementing for the country's development.

13. (C) DAS Thompson stressed that strengthening the local business environment was important to attracting additional foreign investment, noting that Mozambique could improve significantly in the World Bank's Doing Business index. The Charge said that at a U.S. Foreign Commercial Service-sponsored seminar on February 29 in Johannesburg, more than 30 U.S. companies expressed interest in investing in Mozambique, but remained concerned about the business environment and security. Diogo agreed, pointing to GRM efforts to implement better customs procedures and create a streamlined 'one-stop' business licensing process. The Charge suggested that dropping the visa requirement for American tourists would also attract more tourism dollars.

14. (C) Just as recognizing Kosovo's independence would show Mozambique to be more interested in a broader range of international issues, DAS Thompson emphasized that participation in peacekeeping operations (PKOs) would be an excellent way for Mozambique to contribute to continental stability. As the Prime Minister lamented the lack of funds for the military, the Charge noted that many countries had utilized the funds generated through participation in PKOs to fund their militaries. Diogo said that the GRM continues to train its military and is now focusing on improved internal security by training police to better respond during civil

unrest.

-----  
DISCUSSING ZIMBABWE AND CUBA WITH MINISTER OF THE  
PRESIDENCY  
-----

15. (C) DAS Thompson met with Minister of the Presidency Antonio Sumbana and pointed to USG interest in expanding the U.S. partnership with Mozambique beyond economic cooperation.

Noting previous discussions with the Charge on this topic, Sumbana welcomed this initiative to establish a political dialogue. Thompson highlighted USG concerns about Zimbabwe and said that we looked to Africans to take action to ensure the survival of democracy in that country. Sumbana, formerly Mozambique's Ambassador to Zimbabwe, acknowledged Mozambique's shared concern with ZANU-PF's inability to manage a leadership transition away from Mugabe, though it could never state this concern publicly. Thompson continued that President Guebuza's official trip to Cuba was sending confusing signals when Mozambique was going down a democratic path and Raul Castro was not. The Charge added that the Foreign Minister's presence with Guebuza in Cuba also precluded her from participating in the SADC Foreign Ministers' meeting with the Nordic Foreign Ministers in Gaborone, a slight that did not go unnoticed by the Nordic Ambassadors. Sumbana showed surprise at this analysis, claiming that the trip had been long planned (though never announced) and that it was not meant to be a sign of support for Raul Castro. Thompson responded that, regardless of intent, this is how it would be interpreted.

-----  
WESTERN AMBASSADORS UNEASY ABOUT DEMOCRACY  
-----

MAPUTO 00000233 002 OF 002

-----  
16. (C) At a dinner with the Ambassadors of Denmark, Finland, Ireland, Norway and Canada, attendees told DAS Thompson of concerns about government corruption and lagging private sector growth. They questioned whether the ruling party FRELIMO is truly supporting democratic institutions and criticized the competence of the Foreign Ministry. Each agreed that Mozambique was less of a post-conflict democracy "success story" and more of a "work-in-progress story." They agreed to review ways to act together to raise the profile of these issues with the GRM.

-----  
JOURNALISTS SAY GRM-PRESS COMMUNICATION DECLINING  
-----

17. (C) In a roundtable discussion, representatives of print, broadcast, and electronic media told DAS Thompson that relations between the GRM and press have become poor to non-existent under President Guebuza's administration, and that his press office serves to threaten and intimidate the press corps rather than to inform them. Upon learning that the DAS had just met with Diogo, one attendee observed that "at least the USG has some sense of the PM's perspectives- we in the press have no idea."

-----  
BUSINESS LEADERS DESCRIBE WORSENING CORRUPTION  
-----

18. A group of eminent Mozambican businessmen told DAS Thompson that corruption in government has increased markedly since President Guebuza assumed office and is now worse than ever. They agreed that it was necessary to pay bribes at every level of the government to obtain necessary approvals and licenses and that it is essential to have a partner with FRELIMO connections in order to conduct business. They claimed that the vast extent of corruption has made it more and more difficult to make money operating a business in

Mozambique.

-----  
MISSION PERSPECTIVES - LE STAFF AND PEPFAR TASK FORCE  
-----

¶9. (C) DAS Thompson met with senior mission LE staff for a discussion of USG efforts and effectiveness in Mozambique. LE staff expressed concerns over the current state and future of democracy in Mozambique, and recommended that the USG increase spending and support for democracy-strengthening programs. DAS Thompson also met with members of the mission's PEPFAR Task Force who reported on successes in inter-agency cooperation, and improving service delivery and program effectiveness.

-----  
MISSION SUCCESSES - MUSLIM INSTITUTE AND ORPHANAGE  
-----

¶10. (U) DAS Thompson visited the Hamza Institute, an Islamic learning institution which trains the imams for nearly all of Mozambique. She met with Sheikh Aminnudin Mohammad and toured their radio station which receives a small amount of PEPFAR support for AIDS prevention programs. DAS Thompson also toured a local orphanage supported by the Embassy's employee association. The orphanage houses 75 children, nearly all HIV positive.

-----  
COMMENT: USG ENGAGEMENT APPRECIATED BY SENIOR LEADERS  
-----

¶11. (C) DAS Thompson's visit reinforced at the highest levels of the Mozambican Government the USG's commitment to maintaining active bilateral engagement on economic and political issues. The Prime Minister and Minister of the Presidency both noted their appreciation for the opportunity to hold discussions with a senior representative from State's Africa Bureau. Private Mozambicans expressed their desire to see Mozambique continue its transition into a fully democratic, economically stable country, though were candid in expressing their concerns about corruption, weak democratic systems, and the challenging business climate.

DAS Thompson did not review this cable.

Chapman  
Chapman